DOCUMENT RESUME

ED 418 639 HE 031 168

TITLE	Changes in Changing States: Higher Education and the Public Good.
INSTITUTION	Southern Regional Education Board, Atlanta, GA. Commission for Educational Quality.
PUB DATE	1998-04-00
NOTE	11p.
AVAILABLE FROM	Southern Regional Education Board, 592 Tenth St., NW, Atlanta, GA 30318-5790; fax: 404-875-9211.
PUB TYPE	Reports - Evaluative (142)
EDRS PRICE	MF01/PC01 Plus Postage.
DESCRIPTORS	Access to Education; Accountability; Cost Effectiveness; Degrees (Academic); Distance Education; Educational Change; *Educational Policy; Educational Trends; *Higher Education; Regional Programs; Resource Allocation; *State Programs; Student Costs; Transfer Students; Trend Analysis

ABSTRACT

This report summarizes trends and needs in higher education. The first section considers the value of higher education and provides data showing that a college education is more valuable today than ever, and that higher education is not given a high enough priority when state and national budget decisions are made. Positive changes that have been made by education and government leaders in SREB (Southern Regional Education Board) states over the last four years are credited with the following effects: today it is easier to transfer from one college to another; today it is easier to take a college course anytime of the day (or night) through technology links to homes, businesses, and communities; today more students can earn a college degree more quickly because many universities have streamlined their requirements and retooled many courses; today many SREB states are creating plans and programs to deal with rising student costs for college; today colleges and universities have "restructured" to become more efficient; and today higher education is more accountable to the public and state leaders. (DB)

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CHANGES IN CHANGING STATES

HIGHER EDUCATION AND THE PUBLIC GOOD

HE 031 168

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Southern Regional Education Board

COMMISSION FOR EDUCATIONAL QUALITY

Changes in *Changing States*

Higher education is America's number one asset.

America's colleges and universities are the engine that drives the American economy.

Research conducted on American university campuses has resulted in world-changing discoveries—

- Computers for the global information processing industry
- Life-saving treatments and medicines that are miraculous
- Hybrid plants that sparked the agricultural revolution
- Innovative materials that make America first in aerospace

The Commission for Educational Quality of the Southern Regional Education Board issued bold claims and a challenge in *Changing States: Higher Education and the Public Good* four years ago. Those claims and challenge sought

...to restate the case for higher education...

"We want to make clear the connection between investment and return, between higher education and economic growth, between higher education and sound progress, between higher education and a responsible citizenry, between higher education and the future."

...to stress the value of higher education in a time of change...

"No one knows where the dramatic changes are leading. When the greatest uncertainty was national security in a nuclear era, America built a mighty military force...today America's best protection is a well-educated citizenry."

...to underscore higher education's need to change...

"Our colleges and universities can improve in a variety of ways. They have to improve in order to keep our states and nation economically competitive."

Higher Education is America's number one asset.

Higher Education is the engine that drives the American economy.

Higher Education research has resulted in world-changing discoveries.

In the world that exists today those persons with more education will fare markedly better than those with less and those with education beyond high school will fare better than those without it.

The Value of Higher Education

A college education is more valuable today than ever.

Higher education's value has changed in the 1990s. Arguably, a college education is more valuable than ever before. In the most basic of measures, a college graduate today will earn on average almost $31,000 more annually than a high school graduate. But the value of a college education goes far beyond dollars and cents.

Daily life at the end of this decade is more complex for most of us. We are faced with choices about health care options and decisions about saving for retirement or other investments. There are more "big picture" matters such as voluntary or involuntary job changes that require new education or training and more ordinary but important decisions about which telephone company, bankcard or computer to choose.

Add to this list many other similar changes and stir in the fact that a conscientious citizen needs knowledge and skills to determine "the truth" in all of the conflicting sources of information bombarding us daily in the electronic information age. The indisputable conclusion is that in the world that exists today those persons with more education will fare markedly better than those with less and those with education beyond high school will fare better than those without it.

Higher education is not given a high enough priority when state and national budget decisions are made.

The problem with the value of higher education is not that the value to society and to individuals is declining—it clearly is not. The problem is that higher education is not a high priority.

The encouraging news in 1998 is that more governors and legislators are giving higher education renewed attention. There has been a 30 percent increase in state tax funds appropriated to colleges and universities over the last five years. In most states, however, these increases merely restored higher education funding to pre-recession levels. These increases also occurred during a booming economy.

However, a five-year trend is not necessarily a turnaround. Funding for higher education has not kept pace with other priorities in state and local government budgets during this time when tax revenues have grown faster than personal income and state and local government spending has more than doubled. Higher education actually gained in the state's budget priority

in only three states in the past five years. To compensate for being a lower state budget priority over a ten-year period, tuition revenue jumped to 26 percent of the average public college budget; up from 19 percent, an unprecedented shift.

Two statistics combine to reveal the most telling fact. State tax funds for higher education in the SREB states, when adjusted for inflation, rose to a high point in the late 1980s only to fall back to the 1982 level in the first year of this decade. At the same time, full-time-equivalent enrollment increased by over half a million students (27 percent). The net result over the last ten years has been a 16 percent drop in per-student appropriations in four-year colleges and universities and a 20 percent drop in per-student appropriations in the region's two-year colleges.

In summary, because of the declines in state funding for higher education in the 1990s, students and their families carry more of the financial load. Six out of every 10 families in America earn less than $42,000, and these families have been hit hard by the rising costs of college. It now takes at least an additional five percent of their incomes to cover student costs at a typical public university.

Important Changes in Higher Education

Recognizing the need for change, the education and government leaders in SREB states have taken a number of positive steps over the last four years.

Today it's easier to transfer from one college to another.

Several SREB states have established freshman- and sophomore-year general education requirements in English and communications, humanities and fine arts, social sciences, mathematics and natural sciences. These core curricula make it easier for students to transfer courses, and in more and more states, students who earn associate degrees at two-year colleges may enter four-year colleges as junior-year students. In some states technology now instantly gives students a computer report on whether the course they are considering will be accepted at public colleges across the state.

Today it's easier to take a college course anytime of the day (or night) through technology links to your home, your business and your community.

For example, the Southern Regional Education Board states have addressed the increased emphasis on distance learning in higher education with the creation of the *Southern Regional*

The Southern Regional Education Board has addressed the increased emphasis on distance learning in higher education with the creation of the *Southern Regional Electronic Campus.*

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Electronic Campus. The *Electronic Campus* includes more than 100 courses listed from 45 accredited public colleges and universities in the SREB region. An expansion in the fall of 1998 will include more than a thousand courses and a number of degree programs.

Scores of colleges and universities across the SREB region are offering electronic courses at any time and courses at night and on weekends taught on campus or in businesses or even in shopping malls. The wiring and networking of buildings and campuses have moved rapidly in most SREB states to the point that many states now have all colleges and universities connected.

Today more students can earn a college degree more quickly because many universities have streamlined their requirements and retooled many of their courses.

The result is that the creeping upward of the number of courses required to earn a degree has been stopped in several states and a four-year degree can indeed be earned in four years of full-time study. This obviously assists part-time students as well. In addition, more SREB states now have comprehensive systems to collect and analyze information about students' year-to-year progress through public colleges and universities.

Today more SREB states are creating plans and programs to deal with rising student costs for college.

In response to the rising costs of higher education, most SREB states have created either college savings plans or prepaid tuition programs.

While the SREB states put much less of their state student financial aid in need-based programs, the majority of SREB states increased need-based aid in the 1990s at a rate faster than the national average.

Georgia has taken a different approach. HOPE scholarships pay tuition, mandatory fees and a book allowance for students attending public colleges who graduate from high school with a "B" average in their core academic courses and maintain a "B" average in college. Several other SREB states have similar initiatives such as "Bright Futures" in Florida, "TOPS" in Louisiana and the Arkansas Academic Challenge Program.

Colleges and universities have "restructured" to become more efficient.

Restructuring has occurred on campuses but it does not usually make newspaper headlines. Many of these activities are

comprehensive and some of the results, such as the privatization of food services, dormitory operation, maintenance and security, have resulted in cost savings. Scores of academic programs have been eliminated in many states as a result of restructuring, making funds available for higher demand courses and degree programs.

Today higher education is more accountable to the public and state leaders.

Most SREB states are now issuing periodic accountability reports that include indicators and measures of effectiveness. In most SREB states, colleges and universities have established goals for increasing the percentage of students who continue from year to year and graduate. States are linking performance and effectiveness to funding.

What other changes are needed?

The Southern Regional Education Board Commission for Educational Quality stands by its original statement in *Changing States: Higher Education and the Public Good.*

If you believe as we do that —

- ✔ Higher education is a major asset but its value in an uncertain world is not sufficiently understood;
- ✔ The declining priority of higher education in state budgets poses real problems for our future;
- ✔ Higher education must change in important, fundamental ways;
- ✔ There needs to be a new and better balance in higher education, especially between teaching and research;
- ✔ Colleges and universities need to rethink what they teach and the ways in which they deliver instruction;
- ✔ Constantly rising and high tuition is a serious threat to access and imperils both the individual student and all of us;
- ✔ Better connections must exist among our schools, colleges and businesses;
- ✔ There are important ways for higher education institutions to share within each state and across state lines.

States are linking performance and effectiveness to funding.

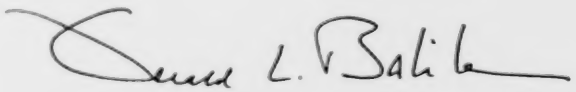
The net result over the last ten years has been a 16 percent drop in per-student appropriations in four-year colleges and universities and a 20 percent drop in per-student appropriations in the region's two-year colleges.

If you believe that SREB states can be huge winners in the global economic realignment if we act wisely, we urge you to review what has been done in your states to focus more attention on the importance of higher education.

Many SREB states have convened leadership from public and independent colleges and universities, business and industry, the schools, state government and the public to consider the level of support for higher education and the changes that higher education must make.

You are commended for the steps you have taken. But it is important that you continue to review what has been done and plan what can be done. Some states have brought together a group of higher education leaders, business and industry leaders and representatives of key school and citizen groups, convened by the executive branch, to frame specific suggestions. Other states have formed working conferences, developed by the state's higher education board. Other states have relied on study groups created by the legislature to create suggestions for legislative action.

Steps have been taken. Progress has been made. Let's keep focused on the goal: to help colleges and universities make needed changes and get the support they need, for more than ever the future of higher education is the future of America.



Gerald L. Baliles, Chair,
Commission for Educational Quality

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Changes in Changing States: Higher Education and the Public Good is the latest statement on the condition of higher education from the Southern Regional Education Board's Commission for Educational Quality. The Commission has issued a number of written and video statements focused on the value of higher education and the need for important changes in higher education. They include:

Changing States: Higher Education and the Public Good

Higher Education Is The Engine That Drives The American Economy

Excerpts from Changing States

Excerpts from *Pink Slips or Greenbacks, Changing the Odds,* 14-minutes video.

Voices of America for Higher Education. The titles include:

- "Higher Education: A Prized Asset in Need of Change" by Commission for Educational Quality chairman and former Virginia Governor Gerald L. Baliles.
- "Higher Education: Passport to the American Dream," by NPR Morning Edition host Bob Edwards.
- "Higher Education and the Economy" by former Spelman College President Johnnetta B. Cole.
- "Customer-Driven Accountability in Higher Education" by James R. Mingle, Executive Director of the State Higher Education Executive Officers organization.
- "Higher Education: The Future in Miniature" by Harris Corporation CEO John T. Hartley.
- "The Practical Value of Higher Education" by Sally Clausen, President of Southeastern Louisiana University and former education advisor to the governor of Louisiana.
- "Promise and Challenge: The New Demographics of Higher Education" by former Congressman William H. Gray III, President of the United Negro College Fund.
- "Charting Higher Education's New Realities" by George W. Johnson, former President of George Mason University.
- "The Community College's Open Door" by Mary D. Thornley, President of Trident Technical College in Charleston, S.C.
- "Listening to Higher Education's Different Voices" by BellSouth executive Pat Gray.
- "Successful Universities Reach Out to Students" by former Texas Lieutenant Governor Bill Hobby, Chancellor of the University of Houston System.
- "Restoring Higher Education's Leadership Role" by Dorothy S. Ridings, former Publisher of the *Bradenton* (FL) *Herald.*
- "Higher Education and a New South" by William McKenzie, columnist for the *Dallas Morning News* and "Dodging the Dinosaur's Fate" by John T. Hazel, Jr., Chairman of the Virginia Business Higher Education Council.
- "Education Reform Boosts Economy" by former Governor Gaston Caperton of West Virginia and "Staking Success on Higher Education" by Governor Paul Patton of Kentucky.
- "Higher Education Access Needed" by U.S. Education Secretary Richard Riley and "Success Traced to Commitment" by Former Governor of Tennessee Lamar Alexander.

April 1998

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